STATE OF MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CANNABIS REGULATORY AGENCY

In the Matter of

Candid Labs, LLC License No.: GR-C-000819 ENF No. 22-00549

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 10, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana class C grower license (no. GR-C-000819) of Candid Labs, LLC (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 et seq., and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.108(1)(c), R 420.108(8), R 420.209(6)(a)(i), R 420.209(6)(a)(iv), R 420.209(6)(a)(vii), R 420.209(11), R 420.209(12), R 420.211(4), R 420.211(8), R 420.212(1), R 420.303(1), and R 420.303(2).

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.108(1)(c), R 420.108(8), R 420.209(6)(a)(i), R 420.209(6)(a)(iv), R 420.209(6)(a)(vii), R 420.209(11), R 420.209(12), R 420.211(4), R 420.211(8), R 420.212(1), R 420.303(1), and R 420.303(2).

Accordingly, for these violations, IT IS ORDERED:

- 1. Respondent's license (no. GR-C-000819) is revoked. The license shall not be renewed, reinstated, reissued, or reactivated, limited or otherwise, at any future date.
- 2. Prior to the effective date of this order, Respondent shall follow the CRA's procedures for "Closing a Licensed Marijuana Business" at https://www.michigan.gov/cra/closing-a-licensed-marijuana-business. Respondent's inventory may be sold, transferred, or destroyed pursuant to these procedures.
- 3. Respondent and Respondent's supplemental applicant, Ramon Hana, are permanently prohibited from applying for or otherwise seeking any new marijuana business license in the State of Michigan; exercising managerial control over a such a business; or otherwise meeting the criteria to be deemed an applicant, supplemental applicant, or otherwise subject to a background investigation of any such business.
- 4. Respondent and Respondent's supplemental applicant, Ramon Hana, are permanently prohibited from any new ownership interest in a licensed marijuana business in the State of Michigan.
- 5. Respondent's supplemental applicant, Ramon Hana, is also the sole supplemental applicant for other state marijuana business licenses under license numbers AU-P-000328 and PR-000312. Mr. Hana is prohibited from applying for or otherwise seeking renewal, reinstatement, reissuance, or reactivation, limited or otherwise, at any future date of license numbers AU-P-000328 and PR-000312. Mr. Hana shall administratively close licenses AU-P-000328 and PR-000312 before the date of license expiration. This includes following the CRA's procedures for "Closing a Licensed Marijuana Business" at https://www.michigan.gov/cra/closing-a-licensed-marijuana-business.
- 6. Respondent's supplemental applicant, Ramon Hana, is permanently prohibited from being employed or working in any capacity at a licensed marijuana business in the State of Michigan, including but not limited to, performing the functions of a regular or managerial employee, rendering any services as an independent contractor, or rendering any services via another party. This paragraph does not apply to the licenses identified in paragraph 5 above.
- 7. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to <u>CRA-LegalHearings@michigan.gov</u>.
- 8. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.

- 9. If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.
- 10. This order concludes the CRA's investigation into Respondent and the individuals associated with the allegations contained in formal complaint ENF No. 22-00549.

This order shall be effective 30 days after date signed by the CRA's executive director or designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: <u>6/12/23</u>

Brian Hanna Digitally signed by: Brian Hanna DN; CN = Brian Hanna email = Androna@michigan.gov C = US O = CRA OU = CPA
Date: 2023.06.12 10:09:42 -04'00'

Executive Director Brian Hanna or Designee Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

- 1. Respondent does not contest the allegations of fact and law in the formal complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the CRA's executive director or designee may enter an order treating the allegations as true for purposes of resolving the complaint.
- 2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, administrative rules promulgated thereunder, and the Administrative Procedures Act of 1969, MCL 24.201 et seq., to require the CRA to prove the charges set forth in the complaint by presentation of evidence and legal authority and to present a defense to the charges.
 - 3. The parties considered the following in reaching this agreement:
 - a) This consent order and stipulation is part of a comprehensive resolution of all of Respondent's currently outstanding formal complaints.
 - b) Respondent and Respondent's supplemental applicant, Ramon Hana, understand and agree that any new application for a state marijuana business license or renewal contrary to the accompanying consent order will be denied.
 - c) Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
- 4. The CRA's operations director or designee must approve this proposed agreement before it is forwarded to the CRA's executive director or designee for review and issuance of the above consent order. The parties reserve the right to proceed to an administrative hearing without prejudice to either party, should the

CRA's operations director, executive director, or designees reject the proposed consent order.

By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:	AGREED TO BY:
Desmond Mitchell Digitally signed by Desmond Mitchell Date: 2023.06.12 09:13:34 -04'00'	M. The state of th
Desmond Mitchell	Ramon Hana
Operations Director	On behalf of Respondent
Cannabis Regulatory Agency	Candid Labs, LLC
Dated: <u>6/12/23</u>	Dated: 6-8-2023
	Ramon Hana Dated: 6-8-2023
/s/ Adam M. Leyton	Top Who
Adam M. Leyton (P80646)	Robert Huth (P42531)
Risa Hunt-Scully (P58239)	Attorney for Respondent
Assistant Attorneys General	
Attorneys for Cannabis Regulatory Agency	
Dated: <u>06/09/2023</u>	Dated: 6/8/2023

LF: 2022-0359383-A\Candid Labs, LLC, (GR-C-000819), ENF 22-00549\Pleading - COS - 2023-06-05



GRETCHEN WHITMER GOVERNOR

STATE OF MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS LANSING

ORLENE HAWKS DIRECTOR

In the Matter of

Candid Labs, LLC

License No.: GR-C-000819

PROOF OF SERVICE

I hereby certify that on 6/14/23	, I mailed a copy of the
CONSENT ORDER AND STIPULATION dated 6/12/23	in the
above captioned case by certified mail (return receipt reque	ested) to:

Candid Labs, LLC 16383 Shaftesbury Ln Macomb, Michigan 48044

Courtesy Copy to:

Robert Huth rhuth@kirkhuthlaw.com

Brittney Southwell Brittney Southwell 2023.06.14 08:10:46 -04'00'

Departmental Technician
Cannabis Regulatory Agency
Department of Licensing & Regulatory
Affairs